

Office of Attorney General Terry Goddard



STATE OF ARIZONA
DEPARTMENT OF LAW
1275 W. WASHINGTON STREET
PHOENIX, ARIZONA 85007-2926
WWW.AZAG.GOV

ANDREA M. ESQUER
PRESS SECRETARY
PHONE: (602) 542-8019
CELL PHONE: (602) 725-2200

FOR IMMEDIATE RELEASE

Terry Goddard Warns Consumers About Internet Loan Scam

(Phoenix, Ariz. – Jan. 22, 2007) Attorney General Terry Goddard today warned Arizona consumers about applying for personal loans over the Internet. Arizona consumers have reported to the Attorney General's Office a scam offering personal loans to help them meet their financial obligations.

"These scams are sophisticated because they take a victim through a 'loan approval process,' but these 'lenders' are scam artists looking to get your money," Goddard said. "Once they have your money, they may disappear along with the Web site and phone numbers."

The scam works this way:

- Consumers first complete an online application.
- They then talk to a "loan officer" at a toll-free number and are told they are approved for a loan.
- They are asked to sign "loan documents" and wire money to the company to complete the deal.
- Consumers wire the requested money but never receive the loan funds. When they go back and look for the Web site, it has been taken down.

Goddard offers these tips for consumers interested in securing a personal loan:

- Research the company before you agree to any terms. Check with the Better Business Bureau. Also, ask for the company's phone number (including area code) and physical address.
- In addition to shopping for a competitive interest rate, check with the Department of Financial Institutions (DFI) to determine if the lender is required to be licensed in Arizona, and if so, whether the lender is licensed. Consumers can call DFI at 1-800-544-0708 or visit the Web site at www.azdfi.gov.

If you believe you have been a victim of fraud, please contact the Attorney General's Office in Phoenix at 602.542.5763; in Tucson at 520.628.6504; or outside the Phoenix and Tucson metro areas at 1.800.352.8431. To file a complaint in person, the Attorney General's Office has 26 satellite offices throughout Arizona with volunteers available to help. Locations and hours of operation are posted on the Attorney General's Web site. Consumers can also file complaints online by visiting the Web site at www.azag.gov.

###